

Minneapolis Community Development Agency

## Request for City Council Action

Date: September 16, 2003

To: Council Member Lisa Goodman, Community Development Committee

Refer to: MCDA Board of Commissioners

Prepared by Edythe Oliveto-Oates, Project Coordinator, Phone 612-673-5229

Approved by Chuck Lutz, MCDA Deputy Executive Director \_\_\_\_\_

**Subject:** Tax Forfeit Land

**Previous Directives:** Review of the tax forfeited land list

**Ward:** City Wide

**Neighborhood Group Notification:** All neighborhood were notified.

**Consistency with *Building a City That Works*:** Goal 4 Preserve and enhance the historic structures urban institutions, environments and amenities that define Minneapolis. Objective A - Assure that downtown Minneapolis remains the retail, employment and entertainment center of the region, as well as home to a mix of residents who choose downtown as their neighborhood.

**Comprehensive Plan Compliance:** These activities are consistent with the Comprehensive Plan as shown on the Land Use Map and in conformance with all existing Redevelopment Plans for the affected areas.

**Zoning Code Compliance:** The properties to be acquired by the MCDA are properly zoned for their intended reuse.

**Impact on MCDA Budget:** (Check those that apply)

- No financial impact
- Action requires an appropriation increase to the MCDA Budget
- Action provides increased revenue for appropriation increase
- Action requires use of contingency or reserves

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X Other financial impact (Explain): These are normal activities consistent with the Agency's goals. There are sufficient funds available to pay the costs associated with the proposed action in FBG28VB.

**Living Wage / Business Subsidy:** Not Applicable

**Job Linkage:** Not Applicable

**Affirmative Action Compliance:** Not Applicable

**RECOMMENDATION:**

**City Council Recommendation:** The Interim Executive Director recommends that the City Council adopt the attached Resolution.

**The Executive Director further recommends that this matter be referred to the Minneapolis Community Development Agency.**

**MCDA Board Recommendation:** The Executive Director recommends that the Minneapolis Community Development Agency Board of Commissioners adopt the attached Resolution authorizing the submission of an application to the Commissioner of Revenue and Hennepin County for the conveyance of the properties listed in the Resolution.

The Minneapolis Community Development Agency (MCDA) has been notified by the County through the 1253 Conservation/Non-Conservation List of a group of properties, which the county has classified as non-conservation. The County is requesting action by the City on these properties. The MCDA has worked with neighborhoods, developers and property owners to develop the recommendations included in the attached resolutions.

**Changes to the State Statute**

The statute governing the conveyance of tax forfeited property in targeted neighborhoods was amended in 2001 to provide that it is subject to recommendation of the County Board. Effectively, that now puts Hennepin County in the position to deny any application for conveyance the MCDA makes to the Commissioner of Revenue.

In the past, the conveyance of property in targeted neighborhoods was made without payment for the property. Although no other change was made to the statute, the County now takes the position the MCDA must pay fair market value for the property. Staff believes this interpretation is contrary to state law. While we are continuing to discuss these issues with the County there has been no resolution to date.

### **Recommendation of Properties to be Acquired by the MCDA**

Staff is recommending the purchase of 4 properties on the 1253NC list for development. Since all of the properties are located in targeted neighborhoods the application will request that conveyance be made without the payment of fair market value in accordance with the Memorandum Of Understanding (MOU) dated December 1, 2002, between MCDA and Hennepin County Taxpayer Services. The MOU states that the Agency will pay Fair Market Value less our holding costs at the time the property is sold to a developer or after 3 years which ever is sooner. If at the end of 3 years the City determines that they have no reuse for the property they can deed the property back to the County.

### **SPECIAL ASSESSMENTS**

In accordance with Resolution 96R-089 the MCDA is not required to pay pre or post forfeit special assessments on tax forfeit properties located in target neighborhoods.

### **Recommendation of Properties to be released for Public and/or Private Sale**

Staff is recommending that the properties listed in the attached resolution be released for public and/or private sale.

**RECOMMENDATION:** The Executive Director recommends that the City Council adopt the attached Resolution.

The Executive Director further recommends that this matter be referred to the Minneapolis Community Development Agency Board of Commissioners.

The Executive Director recommends that the Minneapolis Community Development Agency Board of Commissioners adopt the attached Resolution authorizing the submission of an application to the Commissioner of Revenue and Hennepin County for the conveyance of the properties listed in the Resolution.

Approving the classification of certain forfeited land located in the City of Minneapolis, Hennepin County, Minnesota, as non-conservation and the conveyance thereof.

**WHEREAS**, the City Council of the City of Minneapolis, Hennepin County, Minnesota, has been advised by the County of Hennepin, Minnesota, that certain parcels of land in said City have become the property of the State of Minnesota under the provision of law declaring the forfeiture of lands to the State for nonpayment of taxes;

**NOW, THEREFORE, BE IT RESOLVED** by the City Council of The City of Minneapolis, that the parcels listed below which have not already been designated as non-conservation land be designated as such, and that all the property listed below be withheld from public and private sale and conveyed to the Minneapolis Community Development Agency).

**1253 Conservation/Non-Conservation List**  
**(01) City of Minneapolis**

<u>PID Number</u>	<u>Address</u> <u>Lot Size</u>	<u>Target</u>	<u>Date Of</u> <u>Forfeit</u>	<u>Current Use</u>	<u>Zoning</u> <u>Legal Description</u>
<b>09 029 24 43 0074</b>	2719 Emerson Ave N 42.6'x127'	Yes	05/22/03	Vacant Duplex	R2B
				LOT 3 BLOCK 23 FAIRMOUNT PARK ADDITION TO MINNEAPOLIS	
<b>16 029 24 32 0004</b>	2011 Golden Valley Rd 44x125	Yes	05/22/03	Vacant Land	R1A
				LOT 3 BLOCK 1 "MENARD'S FIRST ADDITION TO MINNEAPOLIS"	
<b>16 029 24 33 0196</b>	1519 Oliver Ave N 40'x125'	Yes	05/22/03	Vacant Land	R1A
				LOT 4 "WALTON'S FIRST ADDITION TO MINNEAPOLIS"	
<b>16 029 24 34 0014</b>	1522 Irving Ave N 5740 sq.ft	Yes	04/04/03	Vacant Land	R2B
				LOT 004 BLOCK 001 "CREPEAU'S ADDITION TO MINNEAPOLIS"	

BE IT RESOLVED by the City Council of the City of Minneapolis, that the parcels listed below which have not already been designated as non-conservation land be designated as such, and that all the property listed below be released for public auction.

PID Number	Address Lot Size	Target	Date Of Forfeit	Current Use	Zoning Legal Description
<b>11 028 24 13 0334</b>	4040 15 <sup>th</sup> Ave S 159,520 sq. ft.	No	05/22/03	Occupied Condo	R5 APT #11H APARTMENT OWNERSHIP NO. 0221 BUSH TERRACE CONDOMINIUM
<b>04 029 24 42 0171</b>	3831 Dupont Ave N 5107 sq. ft.	No	05/22/03	Occupied Single Family	R2B LOT 8 BLOCK 1 NORTH SIDE PARK ADDITION TO MINNEAPOLIS
<b>16 029 24 11 0117</b>	915 - 26 <sup>th</sup> Ave N 39.3'x100	Yes	05/22/03	Occupied Single Family	R2B E 1/4 OF LOTS 13 AND 14 BLOCK 15 HIGHLAND PARK ADDITION TO THE CITY OF MINNEAPOLIS
<b>17 029 24 14 0092</b>	2014 Sheridan Ave N 40'x128	Yes	05/22/03	Occupied Single Family	R1A LOT 026 BLOCK 003 "NICHOLS- FRISSELL CO.'S SHADY OAKS ADDITION TO MINNEAPOLIS"
<b>34 029 24 32 0383</b>	2717 Grand Ave S 4,760 sq. ft.	Yes	06/19/03	Vacant Land	R2B S 11 FT OF N 29 FT OF LOT 6 BLOCK 1 MENAGE'S 3RD ADDITION TO MINNEAPOLIS
<b>34 029 24 42 0467</b>	2624 1st Ave S 3,756 sq. ft	Yes	06/19/03	Vacant Land	R5 N 1/2 OF LOT 1 BLOCK 6 CORSONS ADDITION TO MINNEAPOLIS

BE IT RESOLVED by the City Council of the City of Minneapolis, that the parcels listed below be designates as non-conservation, and that they be released for private sale to adjacent property owners only.

<b>08 028 24 33 0004</b>	3517 44 <sup>th</sup> Street W	No	05/22/03	Vacant Land	C1
	588 square feet			COM 50 FT N OF SE COR OF LOT 14 BLK 21 WAVELAND PARK TH W 7 FT TH N TO S LINE OF W 44TH ST TH ELY ALONG SAME TO A PT DUE N OF BEG TH S TO BEG	
<b>13 029 24 41 0025</b>	2102 ½ Kennedy St NE	Yes	05/22/03	Vacant Commercial Lot	I2
	3,331 sq. ft.			LOT 24 AUDITOR'S SUBDIVISION NO. 268 HENNEPIN COUNTY, MINN	
<b>11 029 24 33 0033</b>	2011 2nd St N E	Yes	06/19/03	Vacant Land	R2B
	10'x33'			THAT PART OF N 10 FT OF W 1/5 OF LOT 13 BLK 5 WHICH LIES NLY AND WLY OF FOL DESC LINE BEG AT A PT ON W LINE OF SAID LOT 13 DIS 9.85 FT S FROM NW COR THOF TH E 4.4 FT TH N 1.2 FT TH E 3.2 FT TH S 1.2 FT TH E 25.4 FT TH N TO N LINE OF SAID LOT 13 AND THERE ENDING LOT 13 BLOCK 5 BOTTINEAUS SECOND ADDITION TO THE TOWN OF SAINT ANTHONY	

**BE IT FURTHER RESOLVED** that this matter be referred to the Minneapolis Community Development Agency for authorization to submit an application to the Commissioner of Revenue and the County of Hennepin for the purchase and conveyance of said property located in targeted areas pursuant to the provisions of Minnesota Statutes 282.01, Subd. 1b.

# RESOLUTION

of the

## MINNEAPOLIS COMMUNITY DEVELOPMENT AGENCY

By \_\_\_\_\_

Authorizing the submission of an application to the Commissioner of Revenue and the Hennepin County Board for the conveyance of tax forfeited land.

Whereas, the Minneapolis Community Development Agency has been advised by the County of Hennepin that a number of properties within the City of Minneapolis have forfeited to the State of Minnesota for the non-payment of taxes, which properties are listed below; and

### TAX FORFEITED PROPERTIES TO BE ACQUIRED BY CPED

PID Number	Address	Target	Date Of	Current Use	Zoning
	Lot Size		Forfeit		Legal Description
<b>09 029 24 43 0074</b>	2719 Emerson Ave N	Yes	05/22/03	Vacant Duplex	R2B
	42.6'x127'			LOT 3 BLOCK 23 FAIRMOUNT PARK ADDITION TO MINNEAPOLIS	

Staff will determine if the structure is rehabable. If not the building will be demolished and the lot sold for development.

<b>16 029 24 32 0004</b>	2011 Golden Valley Rd	Yes	05/22/03	Vacant Land	R1A
	44x125			LOT 003 BLOCK 001 "MENARD'S FIRST ADDITION TO MINNEAPOLIS"	

The lot will be sold for development.

<b>16 029 24 33 0196</b>	1519 Oliver Ave N	Yes	05/22/03	Vacant Land	R1A
	40'x125'			LOT 4 "WALTON'S FIRST ADDITION TO MINNEAPOLIS"	

The lot will be sold for development

<b>16 029 24 34 0014</b>	1522 Irving Ave N	Yes	04/04/03	Vacant Land	R2B
	5740 sq.ft			LOT 004 BLOCK 001 "CREPEAU'S ADDITION TO MINNEAPOLIS"	

The lot will be sold for development.

Whereas, the Minneapolis Community Development Agency has determined that the conveyance of said tax forfeited property, listed in this resolution, to the Agency is necessary to provide for said property's redevelopment as productive taxable property pursuant to the provisions of Minn. Stat. Chap. 469.

Now, Therefore, Be It Resolved that the Minneapolis Community Development Agency make application to the Commissioner of Revenue of the State of Minnesota and Hennepin County for the conveyance of said tax forfeited property, listed in this resolution, located in target neighborhood pursuant to the provisions of Minn. Stat. Sec. 282.01, Subd. 1b.

RECORD OF COMMISSIONER VOTE													
Commissioner	Aye	Nay	NV	Abs	Ovrd	Sust	Commissioner	Aye	Nay	NV	Abs	Ovrd	Sust
Benson							Ostrow						
Colvin Roy							Samuels						
Johnson							Schiff						
Johnson Lee							Zerby						
Lane							Zimmermann						
Lilligren							Goodman, chair						
Niziolek													
Vote: NV - Not Voting			Abs - Absent			Ovrd - Vote to Override			Sust - Vote to Sustain				

**ADOPTED** \_\_\_\_\_: \_\_\_\_\_  
**Chairperson**

**APPROVED**  
**NOT APPROVED** \_\_\_\_\_: \_\_\_\_\_  
**VETOED** \_\_\_\_\_  
**Mayor**

